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May 14, 1948

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Attention:

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Sir:

P R O P O S A L

Pursuant to discussions between your engineers and engineers of this Company, the following proposal is submitted:

Upon execution of a contract in a form similar to the contract under which we are now operating, we will undertake on behalf of the United States Government:

One: To conduct research and design engineering leading to the development of a portable steam-driven electric generator unit, including boiler, burner, condenser, etc., to the following specifications:

- (a) Continuous output rating of the generator is to be 50 milliamperes at 400 volts, and 3.5 amperes at 6.3 volts.
- (b) Size of unit is not to exceed 10" x 18" x 26" and weight not to exceed 25 lbs.
- (c) The apparatus will operate on any liquid, gaseous or solid fuel, of 6,000 BTU or better per pound.
- (d) The equipment will be silent in operation to a degree conformable with the operating requirements laid down. The actual rotating parts will be enclosed in a soundproof housing having high attenuation in the audible range.

Two: If engineering studies indicate that a successful engine can be built, to furnish an experimental equipment in accordance with the above specifications.

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PROPOSAL - Steam-driven electric generator unit.

- Three: To furnish necessary test equipment, and suitable spares for said equipment.
- Four: To furnish operating and maintenance instructions for said equipment.
- Five: To furnish progress reports on the progress from time to time as directed, and a final report at the conclusion of the project.
- Six: To consult at frequent intervals with your engineers and to modify the program in accordance with their requirements and your instructions.
- Seven: To conduct all work and to keep all records in accordance with applicable security regulations.

For purposes of mechanical fabrication the model shop facilities of the R. A. Hawks Co. are employed on a sub-contract basis at a fixed charge of \$3.50 per hour: this figure being subject to change in accordance with prevailing wage rates.

This proposal is submitted on a basis of cost plus a fixed fee with the fixed fee being 7% of the total charges. This fixed fee may be applied to the whole contract, or alternatively, may be determined and mutually agreed upon after the engineering work has been completed and the exact costs can be estimated with reasonable accuracy. An allowance for overhead costs not otherwise chargeable directly to the contract is not to exceed 100% of the total costs of salaries and wages: the actual charge for overhead costs will be substantiated by audited report. Our books will be open to inspection by your representatives at all times.

It is estimated that the program contemplated under this proposal will occupy a time of fifteen months from the start of work and that the cost thereof will not exceed the sum of Ninety-five Thousand Dollars (\$95,000.00).

We are prepared to start work on the program immediately upon authorization from you.

Very truly yours,

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M. D. McFarlane

MDMcF:rd
w/ltr of transmittal.
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